

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2010 – HB 1930

March 14, 2014

**SUMMARY OF ORIGINAL BILL:** Requires court approved costs to be paid to a receiver for abatement of a public nuisance to be considered a first lien on the property and superior to any prior or subsequent liens for any state or local taxes and assessments.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Due to multiple unknown variables, a precise fiscal impact to state and local government cannot reasonably be determined.

**SUMMARY OF AMENDMENT (014325):** Makes the provisions of the original bill applicable to Madison County.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The provisions of the bill as amended are applicable to Davidson, Shelby, and Madison Counties.
- According to the Administrative Office of the Court, any costs associated with the provisions of the bill as amended can be accommodated within existing resources.
- Pursuant to Tenn. Code. Ann § 13-6-102, a “receiver” can either be a municipal corporation or a nonprofit corporation that agrees to be appointed by the court for the purpose of preserving or improving the property considered a public nuisance.
- The provisions of the bill as amended would provide for a lien placed on the property for payment of a receiver to take priority over any lien placed by the state or local government; resulting in payment of the receiver prior to payment of state or local government if the lien is fulfilled.
- Pursuant to Tenn. Code Ann. § 13-6-106 (l) – (m), if the lien is not satisfied within 180 days, the court may issue an order directing the receiver to offer the property for sale. Upon sale of the property, the proceeds shall first satisfy all federal, state, and local taxes and assessments, then any remaining proceeds shall be directed toward the receiver’s lien.

- It is unknown how many receivers will be a municipal corporation as opposed to a nonprofit corporation, if the lien will be fulfilled prior to sale of the property, and if as a result of the lien being fulfilled prior to the sale of the property any subsequent liens placed by state or local government will remain unfulfilled as a result of payment of the receiver's lien, and the amount of any such unpaid liens to state or local government.
- Due to these multiple unknown factors, a precise impact to state and local government is not quantifiable.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh